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TO RUEHC/SECSTATE WASHDC 4459
INFO RUEHAC/AMEMBASSY ASUNCION 3781
RUEHBO/AMEMBASSY BOGOTA 2292
RUEHBU/AMEMBASSY BUENOS AIRES 1296
RUEHBR/AMEMBASSY BRASILIA 0692
RUEHCV/AMEMBASSY CARACAS 1952
RUEHPE/AMEMBASSY LIMA 5969
RUEHMN/AMEMBASSY MONTEVIDEO 4236
RUEHQT/AMEMBASSY QUITO 2162
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
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SUBJECT: CHILE MEDIA REPORT - FEBRUARY 20

Leading Stories

11. The Chaiten volcano in southern Chile erupted again yesterday. The town was evacuated, except for several individuals who have refused to leave. Dailies also report that after a meeting with his Chilean counterpart in Santiago, the Foreign Affairs Deputy Secretary of Bolivia said his country would keep the maritime issue in the bilateral arena, but added that La Paz does not rule out resorting to a multilateral organization if there is no progress.

U.S.-Related News

12. Secretary of Energy Steven Chu and his Chilean counterpart Marcelo Tokman, met yesterday in Washington, D.C. Both officials discussed the possibility of establishing a strategic partnership in the area of non-conventional renewable energy. Tokman, who was in Washington to attend an IDB conference on this subject, is the first GOC official to meet with a representative of the Obama administration (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 2/10).

13. The judge investigating the illegal commission paid in the sale of Belgian Mirage aircraft to Chile in 1994 filed requests with courts in New York, Miami, and Pennsylvania to lift bank secrecy on several accounts linked to the daughter and son of former Air Force Commander-in-Chief Ramon Vega (All dailies, 2/20).

14. Gary Hughes has been participating for at least a year in the battle against the Endesa-Colbun hydroelectric project in Chile's Patagonia. Hughes is now replacing Aaron Sanders as head of the campaign. (Que Pasa, conservative, influential newsweekly, 2/20).

Regional affairs

15. OAS Political Affairs Secretary Dante Caputo praised Chile and Brazil's democracies, but said it is "not viable" to apply the same model to other countries in Ibero America because of the "cultural history" that prevails in some of those nations (La Tercera, conservative, independent, circ. 101,000, 2/20).

Economics

16. The Latin American Consensus Forecasts estimates that Chile's GDP growth in 2009 will be only around 0.7%. This is lower than the January estimates (El Mercurio, 2/20).

¶7. The Canadian that manufactures the famous BlackBerry, Research in Motion (RIM), will open an office in Chile (Que Pasa, 2/20).

Bolivia

¶8. The Foreign Affairs Deputy Foreign Ministers of Chile and Bolivia, Alberto van Klaveren and Hugo Fernandez, respectively, met yesterday afternoon. Officially both were to discuss the agreement of the waters rights of the Silala River. However, the meeting focused on Evo Morales' remarks that Bolivia would take its sea access claim into the multilateral arena. After the meeting, the Bolivian official said both countries had agreed to keep up the "pace" of the talks on this issue in the context of the bilateral agenda. However, he added that Bolivia would resort to multilateral organizations if the talks do not yield results (La Tercera, 2/20).

Cuba

¶9. Former CIA analyst Brian Latell, author of the only biography written about Raul Castro, said that the sudden impasse between the revolutionary leader and Bachelet was typical Fidel, and likely brought about by the Cuban leader's "narcissism." Latell also highlighted Fidel's strong differences with Raul (Que Pasa, 2/20).

Volcanic eruption

¶10. The Chaiten volcano erupted again yesterday afternoon. The volcano's dome collapsed, expelling gas and volcanic material. The authorities are concerned that if it rains, the volcanic material could again turn into a major mud flow that blocks the river and floods the town. The police have evacuated everyone, except for several adults who refuse to leave their homes. Those staying included six children. Minister of Interior Edmundo Perez Yoma said the government would not file any judicial action against those who chose to stay behind, but added that he will not put more people at risk. "They are on their own," said Perez Yoma (All dailies, 2/20).

SIMONS